

# Center for Accountability, Transparency & Good Leadership (CATGOL)

## Award Winner of the “Anti-corruption Collective Action Competition for Practitioners”

**Type of Organization:** NGO

**Country and Region:** South-South, Nigeria

**Project Name:** Effective Partnership for Sustainable Bus. Dev. & Corporate Social Responsibility Compliance Initiative

**Participants:** International Oil Companies, Host Communities, CSOs, State and Federal Government of Nigeria

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### Description of CA Initiative

Multinational Oil & Gas companies (Total, Shell, Chevron, Exxon-Mobil, Agip & Addax Petroleum) operating in the Niger Delta area of Nigeria were facing serious challenges in conducting businesses in the most ethical and transparent manner. Complaints of absence of due diligence, selective treatment, bribery and corruption by host communities and state government against the international oil companies (IOCs) affected oil & gas production and impeded on the impact of corporate social responsibility.

Our Organization embarked on a campaign tagged “Action Against Corruption Campaign”. The Purpose – To create a coalition between IOCs, Host Communities, Civil Society Organizations, State and Federal Government Agencies. The campaign committee is made up of representatives of the above multinationals, elected representatives of host communities, appointed representatives of civil society organizations with focus on Environment, Corporate Governance, Budget and Contract Monitoring & Evaluation and representatives from State and Federal ministries of Industry, Environment & Economic Development.

The Objective: This independent body (Niger Delta Oil & Gas Stakeholders Committee) is responsible for engaging and collaborating with both multinationals and host communities to ensure sufficient compliance and strict adherence to memorandum of understanding (MOU) signed by both parties, especially on Environmental and Social Management issues, examples are Resettlements, Compensations, Establishment of various Complaints, Grievances and urgent response units. Other responsibilities are - (i) to identify areas of need as it affects infrastructural development, human capital development, employment and empowerment from host communities, (ii) advise multinationals on key areas of interest during budget allocations for corporate social responsibility (iii) ensure the adoption of due diligence and acknowledgement of local content procedures in the award of contracts (iv) ensure priorities are given to host communities in the award of community projects and employment – especially as artisans (vi) we ensure that stakeholders from respective host communities are carried along during projects conception to implementation stages, the reasons is to ensure that project objectives are clearly understood by all concerned and contradict benefits are well discussed to avoid unnecessary agitations due to misplaced expectations. Our initiative has drawn the Federal Government of Nigeria to recognizing our roles, which we have done in different forum and committees set up to seek solution to the lingering problems of the Niger Delta.

### **Contribution done by the initiative to reduce corruption in its operating environment**

The coalition adopts a process that builds consensus and fosters the sharing of knowledge to achieve positive change through equitable execution of development projects in the respective host communities. Before now, IOCs were accused of using “Divide and Rule” mechanism in their relations to stakeholders in their respective operational communities. “Divide and Rule” refers to attempt by IOCs to go behind some stakeholders in the same community to bribe others to take side or influence policies or decisions in their favor. There have been allegations of preferential treatment and sheer negligence by IOCs to comply with the MOUs signed with host communities. Our coalition created an all stakeholder inclusive platform for taking decisions on issues that fosters cordial relationship between IOCs and host communities. Priorities such as Infrastructural development, Employment, Job Creation, Human Resource Development, Capacity Building and various empowerment schemes were sufficiently deliberated upon before execution. While at the same time setting a stage for continuous interflow of communication (a veritable tool for development) and a feedback mechanism between host communities and IOCs.

### **Setup of the initiative**

- Implemented mechanisms to ensure success of project
  - (i) Establishment of Grievances, Complaint and Urgent response unit
  - (ii) Ensure membership is made up of appointed and elected representatives
  - (iii) Created a website that serves as a portal for advertisement of contracts and job opportunities
  - (iv) Created an advocacy unit that educates host communities on project objectives
  - (v) The above unit also enlightens host communities on all environmental and social management frameworks.
  
- Costs of initiative
  - (i) \$ 100,000.00
  
- Use of auditing and enforcement initiatives
  - (i) At the moment we are engaging with the National Assembly to ensure our activities are recognized by law.

### **Achieved results / impact for businesses and society**

We have been able to establish a platform that calls for sufficient and free flow of communication with an effective feedback mechanism through which both partners will be able to discuss various issues – infrastructural development, projects objectives and community expectations. It has help assuage the suspicions and distrust that existed between both parties. The era of “Divide and Rule” as alleged by government and host communities are over- this factor had been responsible for series of communal restiveness that grossly affected exploration by IOCs.

### **Replicability to other sectors/companies**

The need to set up an independent body recognized and approved by all stakeholders in business is a sure tool for development. The constituent body should be made up of representatives whom all stakeholders will trust to make decisions on their behalf. The body should also recognize the use of

communication and feedback mechanisms as a veritable tool that assist in assuaging fears, distrust and suspicion in every business relationship.

### **Innovation: What is new about this initiative**

This initiative has understood the use of communication and feedback mechanism as a veritable tool for development. Experiences show that when people's fears, expectations and feelings are carefully and sufficiently addressed, it gives them a sense of belonging thereby encouraging them to give support to the project(s) and ultimately own the initiative. Corruption breeds in an environment of distrust and suspicion, especially when a gap in communications has created unrealistic expectations, grievances and unrest, which is most often addressed by IOCs by inviting a supposed very violent and harmful group and beginning to calm or woo them through bribery.

### **Why other practitioners could learn about this initiative**

There is a need to involve all stakeholders from project inception to completion stages or processes. This approach help keep everyone on top of issues as regards the nature of project, environmental and social management issues, resettlements, compensations, individual and collective expectation and project benefits to host communities. Our approach has help douse all kinds of tension, suspicion and distrust which has been the bane of smooth business operations in the Niger Delta and other regions. The unrest has always created loop holes through which monies will have to pass hands in order to enable IOCs resume operation, especially in areas where we have inefficient or no law enforcement agencies.